

to track and comply with the variety of taxes in over 10,000 taxing jurisdictions will bring the most sophisticated tax systems to their knees. These problems are particularly challenging for new entrants.

Uniformity of tax bases among local jurisdictions and/or uniformity with the state tax base would eliminate the need for multiple filings. Regardless of whether individual jurisdictions impose tax at different rates, only one unified tax return should be required per state. In addition to greatly simplifying and easing the current compliance burden, this would also permit unified audits within states. Unified audits would greatly benefit both taxpayers and tax administrators by eliminating much of the redundancy and duplication of effort inherent in the current system of separate audits by individual jurisdictions.

## **V. CONCLUSION**

There was a time, when present state transactional tax structures were developed, that the imposition of specialized taxes on telephone services made sense. They were imposed on monopoly companies, in some measure to compensate the state for the monopoly powers granted to telephone companies. The companies found those structures acceptable, because regulatory authorities enabled them to pass the taxes on to customers through regulated rates for service. This schematic was appropriate insofar as the companies were assured the authority to recover costs and earn a stipulated return on investment. The advent of competitive telecommunications, now more than thirty years ago, began to challenge the rationale for industry-specific taxes. These competitive telecommunications providers never enjoyed the monopoly protections for which such taxes were intended to compensate the state. Still, because much of the industry remained in a regulated condition, the rationale for continuing those specialized taxes held.

Over the years, telecommunications providers have had some success eliminating certain industry-specific taxes imposed in exchange for monopoly status. However, although technological developments and deregulation have created a new telecommunications environment, much of the historical tax structure has remained relatively intact. For example, effective state and local transactional tax rates of between 20% and 29% impact the economy in nine states. In addition, thousands of tax returns must still be filed each year by general businesses, and tens of thousands of tax returns must still be filed by telecommunications providers. As different services are bundled together and offered by a single provider, the continuation of dissimilar tax structures is likely to become increasingly problematic.

In considering various tax systems, the telecommunications model illustrated in this Study provides an example of a tax system that is broken and does not work well with regard to new technologies. Like other industries of the digital age, the telecommunications industry continues to evolve in response to consumer preferences for new products and services. Unless substantially simplified and revised, the existing taxing scheme for telecommunications businesses, based on an earlier era, will hinder the

evolution and development of the nation's telecommunications networks - essentially the backbone in our growing digital and information-based economy.

## **APPENDICES**

**APPENDIX A**

**50-STATE STUDY**

## COST TELECOMMUNICATIONS TAX STUDY

## COST TELECOMMUNICATIONS TAX STUDY

State	General Business											Telecommunications										
	Total # of Local Taxes Applied to Sales	Total # of State Taxes Applied to Sales	Total Local Tax Rate Applied to Sales	Total State Tax Rate Applied to Sales	# of Local Tax Bases that Must Be Maintained	# of State Tax Bases that Must Be Maintained	Total # of Returns Remitted Per Year	Total # of Taxing Jurisdictions	Property Tax Effective Rate - Real Property	Property Tax Effective Rate - Tangible Property	Property Tax Effective Rate - Intangible Property	Total # of Local Taxes Applied to Sales	Total # of State Taxes Applied to Sales	Total Local Tax Rate Applied to Sales	Total State Tax Rate Applied to Sales	# of Local Tax Bases that Must Be Maintained	# of State Tax Bases that Must Be Maintained	Total # of Returns Remitted Per Year	Total # of Taxing Jurisdictions	Property Tax Effective Rate - Real Property	Property Tax Effective Rate - Tangible Property	Property Tax Effective Rate - Intangible Property
AK	1	N/A	6.00%	N/A	9	N/A	111	111	0.32%	N/A	N/A	4	N/A	8.57%	N/A	9	N/A	163	116	0.32%	N/A	N/A
AL	2	1	4.00%	4.00%	1	1	266	768	0.90%	0.90%	N/A	3	3	9.00%	10.89%	2	2	1,170	305	1.36%	1.36%	N/A
AR	1	1	3.00%	4.63%	1	1	12	285	0.82%	0.82%	0.82%	6	4	4.35%	5.33%	2	1	638	537	0.82%	0.82%	0.82%
AZ	2	1	5.50%	5.00%	16	1	181	361	4.20%	4.20%	N/A	4	4	10.27%	5.07%	4	2	218	361	4.20%	4.20%	N/A
CA	1	2	2.62%	6.00%	1	1	5	60	1.10%	N/A	N/A	4	8	11.12%	4.87%	15	1	1,857	221	1.10%	N/A	N/A
CO	2	2	5.00%	3.80%	49	1	141	219	2.42%	2.42%	N/A	4	4	16.02%	7.67%	176	3	1,566	219	2.42%	2.42%	2.42%
CT	0	1	0.00%	6.00%	0	1	12	1	1.61%	1.61%	N/A	0	3	0.00%	7.42%	0	1	12	1	1.60%	3.29%	N/A
DE	0	1	0.00%	0.72%	0	1	12	1	1.63%			1	3	2.80%	5.17%	3	3	61	1	1.63%		
FL	1	1	1.50%	6.00%	1	1	12	51	2.40%	2.40%	0.20%	4	5	14.30%	10.17%	5	5	4,731	370	2.40%	2.40%	0.20%
GA	1	1	3.00%	4.00%	1	1	12	160	1.47%	1.47%	N/A	4	4	14.40%	4.58%	4	4	1,945	481	1.47%	1.47%	N/A
HI	N/A	2	N/A	4.00%	N/A	2	24	1	0.85%	N/A	N/A	N/A	4	N/A	6.14%	N/A	4	26	1	N/A	N/A	N/A
IA	2	1	2.00%	5.00%	1	1	12	587	2.51%	0.00%	0.00%	3	2	5.50%	5.00%	2	2	892	587	2.51%	2.51%	N/A
ID	2	1	2.00%	5.00%	2	1	72	7	1.70%	1.70%	N/A	2	2	3.50%	0.44%	2	2	374	32	1.70%	1.70%	N/A
IL	3	1	2.50%	6.25%	2	1	12	108	2.60%	N/A	N/A	5	3	12.00%	7.51%	2	2	9,629	803	2.60%	N/A	N/A
IN	0	2	0.00%	6.20%	1	1	5	1	3.30%	3.30%	N/A		3		6.35%		1	370	92	3.30%	3.30%	N/A
KS	1	1	1.00%	4.90%	1	2	12	240	1.25%	1.25%	N/A	2	3	3.00%	17.59%	3	2	792	237	1.65%	1.65%	N/A
KY	1	1	0.00%	6.00%	1	1	168	157	1.20%	1.20%	N/A	4	5	12.50%	7.20%	4	3	3,253	157	1.20%	1.20%	1.20%
LA	3	1	4.50%	4.00%	2	1	72	340	1.20%	1.20%	N/A	2	3	5.50%	6.10%	2	3	981	63	3.00%	3.00%	3.00%
MA	N/A	1	N/A	5.00%	N/A	1	12	1	3.58%	2.39%	N/A	N/A	3	N/A	5.09%	N/A	3	36	1	3.58%	2.39%	N/A
MD	0	1	0.00%	5.00%	0	1	12	1	1.79%	1.58%	0.00%	3	4	13.41%	7.51%	29	4	377	5	2.98%	1.98%	0.00%
ME	0	1	0.00%	5.50%	0	1	12	1	2.75%	1.70%	N/A	0	1	0.00%	5.50%	0	1	12	1	2.75%	2.70%	N/A
MI	0	1	0.00%	6.00%	0	1	12	1	2.52%	2.52%	N/A	0	1	0.00%	6.00%	0	1	16	1	2.52%	2.52%	2.52%
MN	1	1	1.00%	6.50%	1	1	12	9	4.75%	N/A	N/A	1	4	1.00%	7.87%	2	2	136	13	4.75%	N/A	N/A
MO	1	1	2.50%	4.23%	1	1	24	710	0.81%	0.81%	N/A	5	1	19.56%	4.23%	3	1	763	385	0.81%	0.81%	N/A
MS	2	1	2.50%	7.00%	2	1	380	358	2.17%	2.17%	N/A	4	4	7.30%	7.10%	4	4	1,379	356	4.33%	4.33%	4.33%
MT	0	0	0.00%	0.00%	0	0	0	0	2.25%	2.25%	0.00%	0	5	0.00%	6.21%	0	1	20	1	2.25%	2.25%	2.25%
NC	1	1	2.00%	4.00%	1	1	1,242	1,218	0.86%	0.86%	N/A	4	5	8.70%	9.80%	4	5	1,132	90	0.86%	0.86%	0.86%
ND	2	1	2.00%	5.00%	1	1	12	76	2.25%	0.00%	0.00%	3	4	7.74%	10.50%	2	4	565	122	0.00%	0.00%	0.00%
NE	1	1	1.50%	5.00%	1	1	12	98	2.35%	2.35%	N/A	3	3	12.02%	12.13%	7	3	796	397	2.35%	2.35%	2.35%
NH	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.80%	N/A	N/A	N/A	2	N/A	6.98%	N/A	2	24	1	2.80%	N/A	N/A

## COST TELECOMMUNICATIONS TAX STUDY

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State	General Business											Telecommunications										
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NJ	0	1	0.00%	6.00%	0	1	12	1	4.00%	0.00%	N/A	0	2	0.00%	6.25%	0	2	24	1	4.00%	2.80%	N/A
NM	3	1	1.81%	5.00%	1	1	12	156	0.95%	0.95%	N/A	4	5	1.81%	6.34%	17	5	128	173	0.95%	0.95%	N/A
NV	0	0	0.00%	0.00%	0	1	12	10	1.10%	N/A	N/A	4	3	6.00%	2.00%	2	2	87	25	1.10%	N/A	N/A
NY	1	2	4.50%	4.00%	1	1	13	85	3.60%	N/A	N/A	4	7	11.95%	9.38%	1	1	3,185	377	3.60%	N/A	N/A
OH	0	1	0.00%	5.00%	0	1	12	94	0.93%	1.30%	0.00%	0	2	0.00%	9.75%	0	2	14	1	1.86%	2.60%	0.00%
OK	1	1	2.00%	4.50%	1	1	12	530	0.63%	0.63%	N/A	7	3	15.21%	6.50%	3	2	279	225	1.07%	1.07%	N/A
OR	0	0	0.00%	0.00%	0	0	0	0	1.30%	1.30%	0.00%	1	3	7.00%	3.25%	83	2	1,021	86	1.30%	1.30%	1.30%
PA	2	1	1.50%	6.00%	2	1	12	751	3.10%	N/A	N/A	3	4	10.12%	11.34%	3	4	939	751	3.00%	N/A	N/A
RI	N/A	1	N/A	7.00%	N/A	1	12	1	3.00%	3.00%	N/A	1	4	3.00%	13.95%	N/A	4	39	1	3.00%	3.00%	N/A
SC	1	1	2.00%	5.00%	0	1	12	32	2.95%	2.95%	2.92%	4	5	12.10%	6.22%	1	2	762	308	2.95%	2.95%	2.95%
SD	1	1	2.00%	4.00%	0	1	12	330	2.32%	0.00%	0.00%	2	3	4.64%	4.68%	0	1	283	378	2.32%	2.32%	2.32%
TN	1	1	2.75%	6.00%	1	1	3,756	314	1.95%	1.95%	N/A	3	2	8.25%	6.00%	3	2	4,878	410	3.58%	3.58%	3.58%
TX	1	1	2.00%	6.25%	1	1	12	1,363	1.05%	1.05%	N/A	8	5	16.36%	12.20%	4	5	2,230	966	1.05%	1.05%	N/A
UT	1	1	3.00%	4.75%	1	1	12	290	1.20%	1.20%	0.00%	3	5	10.76%	7.33%	116	3	1,825	443	1.20%	1.20%	1.20%
VA	1	1	0.00%	4.50%	0	1	12	137	0.94%	0.94%	0.00%	4	2	18.06%	1.03%	4	2	4,341	221	0.94%	0.94%	0.00%
VT	1	1	1.00%	5.00%	1	1	24	1	1.00%	1.00%	N/A	N/A	3	N/A	5.81%	N/A	3	25	1	2.37%	2.37%	N/A
WA	3	3	2.32%	11.54%	3	3	93	512	1.36%	1.36%	0.00%	4	7	10.23%	8.82%	4	5	602	326	1.36%	1.36%	0.00%
WA DC	0	1	0.00%	5.75%	0	1	12	1	2.15%	3.40%	N/A	0	2	0.00%	15.75%	0	2	24	1	2.15%	3.40%	N/A
WI	1	1	0.60%	5.00%	1	1	12	73	2.22%	2.22%	N/A	2	3	5.30%	10.77%	2	3	230	127	2.22%	2.22%	N/A
WV	N/A	1	N/A	6.00%	N/A	1	12	1	1.50%	1.50%	N/A	2	4	11.00%	5.32%	2	4	590	48	1.40%	1.40%	1.70%
WY	1	1	2.00%	4.00%	24	1	300	25	0.59%	0.59%	N/A	1	4	2.00%	6.01%	24	4	308	31	0.72%	0.72%	0.72%

State	Footnotes
NE	If all local taxes apply the combined low rate would be 6.37%. The rate is made up of the effective 911 percentage of 2.87% (\$.50 flat fee divided by \$17.41 avg. local rate), a local B&O tax of 3% and a sales tax rate of .5%. The high local rate of 12.99% is made up of an effective 911 rate of 5.74% (\$.100 flat fee/ \$17.41 avg. local rate), a local B&O tax of 5.75% and a local sales tax rate of 1.5%. Some B&O taxes are flat fees (e.g \$100.00) and are not included in the %. The state rate is 12.13%. The rate is made up of the sales tax of 5%, the USF fund percentage of 6.95% and effective TRS rate is .18% (.05 flat rate/\$28.42 local/wireless average).
NH	For Telecomm. State rate based on 5.5% Comm Tax plus effective rate of 911 fee.
NJ	
NM	Telco local rate does not include franchise fee.
NV	services not subject to sales tax in Nevada.
NY	PUC Fee not included (rate undetermined); Maximum tax used; Gross receipts-Sec 183 not in state rates - n/a to sales.
OH	Tax rates and bases do not include the state PUC fee.
OK	
OR	
PA	If all of the local taxes apply the combined low rate would be 1.95%. The rate is made up of a .15% License Fee, a 911 Fee of .80% (\$.14 flat rate / \$17.41 avg. local rate) and a Sales Tax Rate of 1%. The high local rate is 10.12% made up of a .5% License Fee, an effective 911 rate of 8.62% (\$.150 flat fee / \$17.41 avg. local rate) and a sales tax rate of 1%. The state rate is made up of a 6% sales tax rate or a 5% gross receipts tax and a TRS effective rate of .34% (.06/avg. local rate of \$17.42). Business customers would be subject to both the 5% gross receipts tax and the 6% sales tax. The PUC fee was not included because it varies between types of companies. Estimate of local jurisdictions actually applying a business license tax is 750. Although 3,136 local jurisdictions (counties, municipalities & school districts) technically have the authority to impose taxes, we have estimated that approximately 750 impose a business license tax for purposes of this study.
RI	For Telecomm. State Rate, rate= .07 SAL Tx+.05 GRT+ Effective rate of 911 & TRS
SC	
SD	Used mixed avg to convert fixed fees.
TN	E911 is not included in local rate since it varies in locations. Property rate is % of value.
TX	
UT	There are 114 local franchise type taxes all with potentially different bases.
VA	We did not include BPOL or license tax (other than utility license) as component of local tax rate for either MS or Telco. Varied too much by jurisdiction.
VT	Currently, only one locality with local sales tax. Does not apply to telecomm. service, but does apply to equipment sales. For Telecomm. State rate= 4.36% Sal + .95%USF+.5% PUC
WA	
WA DC	E-911 .18 per access line not included in summary
WI	telecomm local rate= county sales (.6%) + local wired 911 (\$.83/\$17.41). State rate= state sales (5%) + license-GRT (5.77%)
WV	Telecomm. local rate = avg local 911 rate of 9% plus local excise of 2%. State rate=Avg between sales tax.06(competitive services)+Gross Receipts.04(Non Competitive) plus PUC.0032
WY	

<b>State</b>	<b>Footnotes</b>
<b>AK</b>	Each local ordinance is different in taxation of telecom and filing requirements
<b>AL</b>	Sales & Rental taxes included as one tax; Property tax rate fluctuates for wireless; License rate is not included in local rate
<b>AR</b>	
<b>AZ</b>	telecomm local rate=eff 911 (1.25/17.41) + county trans (1%) + city telecomm (4.7%) + city retail (2.5) + license (2%) tele state= sales (5%)+ deaf (1.1/17.41) + eff USF (.121/17.41) Does not includes PUC- assessed.
<b>CA</b>	
<b>CO</b>	Telecomm local rate = max local sales (5%) + eff 911 (\$ 7/17.41) + occupation tax (7%=\$768000/50000accts/12months/17.41) & license fee not included . State rate= sales (3.8%) + PUC (.2%) + disabled (\$ 1/17.41)+ USF (3.1%)
<b>CT</b>	
<b>DE</b>	Does not include flat license fees imposed at the state or local level and does not include the tax on rentals
<b>FL</b>	We did not include occupational license fees in return count or factor as a component of local tax rate for either MS or Telco.
<b>GA</b>	State USF not included in rate because a rate was not available (allocated based on gross receipts); Local license fees and sales tax rates vary
<b>HI</b>	Sales tax at retail 4%; at wholesale, .5%. Telcos pay PSC tax in lieu of property tax (except on real property not used in providing telephone service).
<b>IA</b>	PUC fees are not incorporated into the rates as there are two variable components that cannot be easily converted to rates.
<b>ID</b>	The Business License tax amounts to less than \$1,000 per year total and therefore is not included in the rates.
<b>IL</b>	No rate information on 911 Tax and ROW Fees
<b>IN</b>	No information on 911 Tax and ROW Fees
<b>KS</b>	
<b>KY</b>	Telco property valuations include intangibles. Assumes annual licenses in same proportion as utility license levies. Rates not available.
<b>LA</b>	Telco property valuations include intangibles.
<b>MA</b>	For Telecomm. State rate= 5% Sal+.02% PUC AG+ .07%PUC Gen.
<b>MD</b>	Telco receives an income tax credit to partially offset higher values for real property. Telco assessment methodology for tpp can include intangible property values.
<b>ME</b>	E-911 .32 per access line not included in summary
<b>MI</b>	
<b>MN</b>	PUC fees are not incorporated into the rates as there are two variable components that cannot be easily converted to rates.
<b>MO</b>	Tax rates and bases do not include the state PUC fee.
<b>MS</b>	Telco property valuations include intangibles.
<b>MT</b>	Used mixed avg to convert fixed fees. Info reflects bills effective 1/1/2000. Prop. tax on intang. phased out over 3 yrs
<b>NC</b>	Telco property valuations include intangibles. Applied bus/res rate to determine local tax on telecom. - 911)
<b>ND</b>	Only one county has opted to impose a tax (therefore rate of 2% does not include the county sales tax)



COST TELECOMMUNICATIONS TAX STUDY

# Local Taxes			# State Taxes			Total # Taxes		
State	Gen. Bus.	Telco	State	Gen. Bus.	Telco	State	Gen. Bus.	Telco
TX	1	8	CA	2	8	TX	2	13
OK	1	7	NY	2	7	CA	3	12
AR	1	6	WA	3	7	NY	3	11
IL	3	5	FL	1	5	WA	6	11
MO	1	5	KY	1	5	AR	2	10
AK	1	4	MT	0	5	OK	2	10
AZ	2	4	NC	1	5	FL	2	9
CA	1	4	NM	1	5	KY	2	9
CO	2	4	SC	1	5	NC	2	9
FL	1	4	TX	1	5	NM	4	9
GA	1	4	UT	1	5	SC	2	9
KY	1	4	AR	1	4	AZ	3	8
MS	2	4	AZ	1	4	CO	4	8
NC	1	4	CO	2	4	GA	2	8
NM	3	4	GA	1	4	IL	4	8
NV	0	4	HI	2	4	MS	3	8
NY	1	4	MD	1	4	UT	2	8
SC	1	4	MN	1	4	MD	1	7
VA	1	4	MS	1	4	ND	3	7
WA	3	4	ND	1	4	NV	0	7
AL	2	3	PA	1	4	PA	3	7
MD	0	3	RI	1	4	AL	3	6
ND	2	3	WV	1	4	MO	2	6
NE	1	3	WY	1	4	NE	2	6
PA	2	3	AL	1	3	VA	2	6
TN	1	3	CT	1	3	WV	1	6
UT	1	3	DE	1	3	KS	2	5
IA	2	3	IL	1	3	LA	4	5
ID	2	2	IN	2	3	MN	2	5
KS	1	2	KS	1	3	MT	0	5
LA	3	2	LA	1	3	RI	1	5
SD	1	2	MA	1	3	SD	2	5
WI	1	2	NE	1	3	TN	2	5
WV	0	2	NV	0	3	WI	2	5
DE	0	1	OK	1	3	WY	2	5
MN	1	1	OR	0	3	IA	3	5
OR	0	1	SD	1	3	AK	1	4
RI	0	1	VT	1	3	DE	1	4
WY	1	1	WI	1	3	HI	2	4
CT	0	0	IA	1	2	ID	3	4
HI	0	0	ID	1	2	OR	0	4
IN	0	0	NH	0	2	CT	1	3
MA	0	0	NJ	1	2	IN	2	3
ME	0	0	OH	1	2	MA	1	3
MI	0	0	TN	1	2	VT	2	3
MT	0	0	VA	1	2	NH	0	2
NH	0	0	WA DC	1	2	NJ	1	2
NJ	0	0	ME	1	1	OH	1	2
OH	0	0	MI	1	1	WA DC	1	2
VT	1	0	MO	1	1	ME	1	1
WA DC	0	0	AK	0	0	MI	1	1
Average 1 3			1 3			2 6		
Total 50 132			53 178			103 310		

COST TELECOMMUNICATIONS TAX STUDY

Total Local Tax Rate			Total State Tax Rate			Total Tax Rate			Total Tax Rate Incl. Fed		
State	Gen. Bus.	Telco	State	Gen. Bus.	Telco	State	Gen. Bus.	Telco	State	Gen. Bus.	Telco
MO	2.50%	19.56%	KS	4.90%	17.59%	TX	8.25%	28.56%	TX	8.25%	32.56%
VA	0.00%	18.06%	WA DC	5.75%	15.75%	FL	7.50%	24.47%	FL	7.50%	28.47%
TX	2.00%	16.36%	RI	7.00%	13.95%	NE	6.50%	24.15%	NE	6.50%	28.15%
CO	5.00%	16.02%	TX	8.25%	12.20%	MO	6.73%	23.79%	MO	6.73%	27.79%
OK	2.00%	15.21%	NE	5.00%	12.13%	CO	8.80%	23.70%	CO	8.80%	27.70%
GA	3.00%	14.40%	PA	6.00%	11.34%	OK	6.50%	21.71%	OK	6.50%	25.71%
FL	1.50%	14.30%	AL	4.00%	10.89%	PA	7.50%	21.46%	PA	7.50%	25.46%
MD	0.00%	13.41%	WI	5.00%	10.77%	NY	8.50%	21.33%	NY	8.50%	25.33%
KY	0.00%	12.50%	ND	5.00%	10.50%	MD	5.00%	20.92%	MD	5.00%	24.92%
SC	2.00%	12.10%	FL	6.00%	10.17%	KS	5.90%	20.59%	KS	5.90%	24.59%
NE	1.50%	12.02%	NC	4.00%	9.80%	AL	8.00%	19.89%	AL	8.00%	23.89%
IL	2.50%	12.00%	OH	5.00%	9.75%	KY	6.00%	19.70%	KY	6.00%	23.70%
NY	4.50%	11.95%	NY	4.00%	9.38%	IL	8.75%	19.51%	IL	8.75%	23.51%
CA	2.62%	11.12%	WA	11.54%	8.82%	VA	4.50%	19.09%	VA	4.50%	23.09%
WV	0.00%	11.00%	MN	6.50%	7.87%	WA	13.86%	19.05%	WA	13.86%	23.05%
UT	3.00%	10.76%	CO	3.80%	7.67%	GA	7.00%	18.98%	GA	7.00%	22.98%
AZ	5.50%	10.27%	MD	5.00%	7.51%	NC	6.00%	18.50%	NC	6.00%	22.50%
WA	2.32%	10.23%	IL	6.25%	7.51%	SC	7.00%	18.32%	SC	7.00%	22.32%
PA	1.50%	10.12%	CT	6.00%	7.42%	ND	7.00%	18.24%	ND	7.00%	22.24%
AL	4.00%	9.00%	UT	4.75%	7.33%	UT	7.75%	18.09%	UT	7.75%	22.09%
NC	2.00%	8.70%	KY	6.00%	7.20%	RI	7.00%	16.95%	RI	7.00%	20.95%
AK	6.00%	8.57%	MS	7.00%	7.10%	WV	6.00%	16.32%	WV	6.00%	20.32%
TN	2.75%	8.25%	NH	0.00%	6.98%	WI	5.60%	16.07%	WI	5.60%	20.07%
ND	2.00%	7.74%	OK	4.50%	6.50%	CA	8.62%	15.99%	CA	8.62%	19.99%
MS	2.50%	7.30%	IN	6.20%	6.35%	WA DC	5.75%	15.75%	WA DC	5.75%	19.75%
OR	0.00%	7.00%	NM	5.00%	6.34%	AZ	10.50%	15.34%	AZ	10.50%	19.34%
NV	0.00%	6.00%	NJ	6.00%	6.25%	MS	9.50%	14.40%	MS	9.50%	18.40%
LA	4.50%	5.50%	SC	5.00%	6.22%	TN	8.75%	14.25%	TN	8.75%	18.25%
IA	2.00%	5.50%	MT	0.00%	6.21%	LA	8.50%	11.60%	LA	8.50%	15.60%
WI	0.60%	5.30%	HI	4.00%	6.14%	IA	7.00%	10.50%	IA	7.00%	14.50%
SD	2.00%	4.64%	LA	4.00%	6.10%	OR	0.00%	10.25%	OR	0.00%	14.25%
AR	3.00%	4.35%	WY	4.00%	6.01%	OH	5.00%	9.75%	OH	5.00%	13.75%
ID	2.00%	3.50%	MI	6.00%	6.00%	AR	7.63%	9.67%	AR	7.63%	13.67%
KS	1.00%	3.00%	TN	6.00%	6.00%	SD	6.00%	9.32%	SD	6.00%	13.32%
RI	0.00%	3.00%	VT	5.00%	5.81%	MN	7.50%	8.87%	MN	7.50%	12.87%
DE	0.00%	2.80%	ME	5.50%	5.50%	AK	6.00%	8.57%	AK	6.00%	12.57%
WY	2.00%	2.00%	AR	4.63%	5.33%	NM	6.81%	8.15%	NM	6.81%	12.15%
NM	1.81%	1.81%	WV	6.00%	5.32%	WY	6.00%	8.01%	WY	6.00%	12.01%
MN	1.00%	1.00%	DE	0.72%	5.17%	NV	0.00%	8.00%	NV	0.00%	12.00%
CT	0.00%	0.00%	MA	5.00%	5.09%	DE	0.72%	7.97%	DE	0.72%	11.97%
HI	0.00%	0.00%	AZ	5.00%	5.07%	CT	6.00%	7.42%	CT	6.00%	11.42%
IN	0.00%	0.00%	IA	5.00%	5.00%	NH	0.00%	6.98%	NH	0.00%	10.98%
MA	0.00%	0.00%	CA	6.00%	4.87%	IN	6.20%	6.35%	IN	6.20%	10.35%
ME	0.00%	0.00%	SD	4.00%	4.68%	NJ	6.00%	6.25%	NJ	6.00%	10.25%
MI	0.00%	0.00%	GA	4.00%	4.58%	MT	0.00%	6.21%	MT	0.00%	10.21%
MT	0.00%	0.00%	MO	4.23%	4.23%	HI	4.00%	6.14%	HI	4.00%	10.14%
NH	0.00%	0.00%	OR	0.00%	3.25%	MI	6.00%	6.00%	MI	6.00%	10.00%
NJ	0.00%	0.00%	NV	0.00%	2.00%	VT	6.00%	5.81%	VT	6.00%	9.81%
OH	0.00%	0.00%	VA	4.50%	1.03%	ME	5.50%	5.50%	ME	5.50%	9.50%
VT	1.00%	0.00%	ID	5.00%	0.44%	MA	5.00%	5.09%	MA	5.00%	9.09%
WA DC	0.00%	0.00%	AK	0.00%	0.00%	ID	7.00%	3.94%	ID	7.00%	7.94%
Average 1.60% 6.99%			4.71% 7.16%			6.31% 14.15%					

COST TELECOMMUNICATIONS TAX STUDY

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# Local Tax Bases			# State Tax Bases			Total Tax Bases			Total # Returns			Total # Taxing Juris.			Real Prop Eff Rate			Tangible Prop Eff Rate			Eff. Tax Rate on Intang Value													
State	Gen. Bus.	Telco	State	Gen. Bus.	Telco	State	Gen. Bus.	Telco	State	Gen. Bus.	Telco	State	Gen. Bus.	Telco	State	Gen. Bus.	Telco	State	Gen. Bus.	Telco	State	Gen. Bus.	Telco											
CO	49	176	FL	1	5	CO	50	179	IL	12	9,629	TX	1,363	966	MN	4.75%	4.75%	MS	2.17%	4.33%	MS	0.00%	4.33%											
UT	1	116	NC	1	5	UT	2	119	TN	3,756	4,878	IL	108	803	MS	2.17%	4.33%	AZ	4.20%	4.20%	TN	0.00%	3.58%											
OR	0	83	NM	1	5	OR	0	85	FL	12	4,731	PA	751	751	AZ	4.20%	4.20%	TN	1.95%	3.58%	LA	0.00%	3.00%											
MD	0	29	TX	1	5	MD	1	33	VA	12	4,341	IA	587	587	NJ	4.00%	4.00%	WA DC	3.40%	3.40%	SC	2.92%	2.95%											
WY	24	24	WA	3	5	WY	25	28	KY	168	3,253	AR	285	537	NY	3.60%	3.60%	IN	3.30%	3.30%	MI	0.00%	2.52%											
NM	1	17	GA	1	4	NM	2	22	NY	13	3,185	GA	160	481	MA	3.58%	3.58%	CT	1.61%	3.29%	CO	0.00%	2.42%											
CA	1	15	HI	2	4	CA	2	16	TX	12	2,230	UT	290	443	TN	1.95%	3.58%	LA	1.20%	3.00%	NE	0.00%	2.35%											
AK	9	9	MD	1	4	FL	2	10	GA	12	1,945	TN	314	410	IN	3.30%	3.30%	RI	3.00%	3.00%	SD	0.00%	2.32%											
NE	1	7	MS	1	4	NE	2	10	CA	5	1,857	NE	98	397	LA	1.20%	3.00%	SC	2.95%	2.95%	MT	0.00%	2.25%											
FL	1	5	ND	1	4	AK	9	9	UT	12	1,825	MO	710	385	PA	3.10%	3.00%	NJ	0.00%	2.80%	WV	0.00%	1.70%											
AZ	16	4	PA	1	4	NC	2	9	CO	141	1,566	SD	330	378	RI	3.00%	3.00%	ME	1.70%	2.70%	OR	0.00%	1.30%											
GA	1	4	RI	1	4	TX	2	9	MS	380	1,379	NY	85	377	MD	1.79%	2.98%	OH	1.30%	2.60%	KY	0.00%	1.20%											
KY	1	4	WV	1	4	WA	6	9	AL	266	1,170	FL	51	370	SC	2.95%	2.95%	MI	2.52%	2.52%	UT	0.00%	1.20%											
MS	2	4	WY	1	4	GA	2	8	NC	1,242	1,132	AZ	361	361	NH	2.80%	2.80%	IA	0.00%	2.51%	NC	0.00%	0.86%											
NC	1	4	CO	1	3	MS	3	8	OR	0	1,021	MS	358	356	ME	2.75%	2.75%	CO	2.42%	2.42%	AR	0.82%	0.82%											
TX	1	4	DE	1	3	KY	2	7	LA	72	981	WA	512	326	IL	2.60%	2.60%	FL	2.40%	2.40%	WY	0.00%	0.72%											
VA	0	4	KY	1	3	PA	3	7	PA	12	939	SC	32	308	MI	2.52%	2.52%	MA	2.39%	2.39%	FL	0.20%	0.20%											
WA	3	4	LA	1	3	AZ	17	6	IA	12	892	AL	768	305	IA	2.51%	2.51%	VT	1.00%	2.37%	AK	0.00%	0.00%											
DE	0	3	MA	1	3	DE	1	6	NE	12	796	KS	240	237	CO	2.42%	2.42%	NE	2.35%	2.35%	AL	0.00%	0.00%											
KS	1	3	NE	1	3	ND	2	6	KS	12	792	OK	530	225	FL	2.40%	2.40%	SD	0.00%	2.32%	AZ	0.00%	0.00%											
MO	1	3	UT	1	3	VA	1	6	MO	24	763	CA	60	221	VT	1.00%	2.37%	MT	2.25%	2.25%	CA	0.00%	0.00%											
OK	1	3	VT	1	3	WV	1	6	SC	12	762	VA	137	221	NE	2.35%	2.35%	WI	2.22%	2.22%	CT	0.00%	0.00%											
PA	2	3	WI	1	3	KS	3	5	AR	12	638	CO	219	219	SD	2.32%	2.32%	MD	1.58%	1.98%	DE	0.00%	0.00%											
TN	1	3	AL	1	2	LA	3	5	WA	93	602	NM	156	173	MT	2.25%	2.25%	ID	1.70%	1.70%	GA	0.00%	0.00%											
AL	1	2	AZ	1	2	OK	2	5	WV	12	590	KY	157	157	WI	2.22%	2.22%	KS	1.25%	1.65%	HI	0.00%	0.00%											
AR	1	2	IA	1	2	TN	2	5	ND	12	565	WI	73	127	WA DC	2.15%	2.15%	GA	1.47%	1.47%	IA	0.00%	0.00%											
ID	2	2	ID	1	2	WI	2	5	MD	12	377	ND	76	122	OH	0.93%	1.86%	WV	1.50%	1.40%	ID	0.00%	0.00%											
IL	2	2	IL	1	2	AL	2	4	ID	72	374	AK	111	116	ID	1.70%	1.70%	AL	0.90%	1.36%	IL	0.00%	0.00%											
LA	2	2	KS	2	2	HI	2	4	IN	5	370	IN	1	92	KS	1.25%	1.65%	WA	1.36%	1.36%	IN	0.00%	0.00%											
MN	1	2	MN	1	2	ID	3	4	WY	300	308	NC	1,218	90	DE	1.63%	1.63%	OR	1.30%	1.30%	KS	0.00%	0.00%											
ND	1	2	NH	0	2	IL	3	4	SD	12	283	OR	0	86	CT	1.61%	1.60%	KY	1.20%	1.20%	MA	0.00%	0.00%											
NV	0	2	NJ	1	2	MN	2	4	OK	12	279	LA	340	63	GA	1.47%	1.47%	UT	1.20%	1.20%	MD	0.00%	0.00%											
WI	1	2	NV	1	2	MO	2	4	WI	12	230	WV	1	48	WV	1.50%	1.40%	OK	0.63%	1.07%	ME	0.00%	0.00%											
WV	0	2	OH	1	2	NV	1	4	AZ	181	218	ID	7	32	AL	0.90%	1.36%	TX	1.05%	1.05%	MN	0.00%	0.00%											
IA	1	2	OK	1	2	RI	1	4	AK	111	163	WY	25	31	WA	1.36%	1.36%	WA	0.95%	0.95%	MO	0.00%	0.00%											
NY	1	1	OR	0	2	IA	2	4	MN	12	136	NV	10	25	OR	1.30%	1.30%	VA	0.94%	0.94%	ND	0.00%	0.00%											
SC	0	1	SC	1	2	AR	2	3	NM	12	128	MI	9	13	KY	1.20%	1.20%	NC	0.86%	0.86%	NH	0.00%	0.00%											
CT	0	0	TN	1	2	MA	1	3	IN	12	87	MD	1	5	UT	1.20%	1.20%	AR	0.82%	0.82%	NJ	0.00%	0.00%											
HI	0	0	VA	1	2	SC	1	3	DE	12	61	CT	1	1	CA	1.10%	1.10%	MO	0.81%	0.81%	NM	0.00%	0.00%											
IN	1	0	WA DC	1	2	VT	2	3	RI	12	39	DE	1	1	NV	1.10%	1.10%	WY	0.59%	0.72%	WV	0.00%	0.00%											
MA	0	0	AR	1	1	NH	0	2	MA	12	36	HI	1	1	OK	0.63%	1.07%	AK	0.00%	0.00%	NY	0.00%	0.00%											
ME	0	0	CA	1	1	NJ	1	2	HI	24	26	MA	1	1	TX	1.05%	1.05%	CA	0.00%	0.00%	OH	0.00%	0.00%											
MI	0	0	CT	1	1	NY	2	2	VT	24	25	ME	1	1	NM	0.95%	0.95%	DE	0.00%	0.00%	OK	0.00%	0.00%											
MT	0	0	IN	1	1	OH	1	2	NH	0	24	MI	1	1	VA	0.94%	0.94%	HI	0.00%	0.00%	PA	0.00%	0.00%											
NH	0	0	ME	1	1	WA DC	1	2	NJ	12	24	MT	0	1	NC	0.86%	0.86%	IL	0.00%	0.00%	RI	0.00%	0.00%											
NJ	0	0	MI	1	1	CT	1	1	WA DC	12	24	NH	0	1	AR	0.82%	0.82%	MN	0.00%	0.00%	TX	0.00%	0.00%											
OH	0	0	MO	1	1	IN	2	1	MT	0	20	NJ	1	1	MO	0.81%	0.81%	ND	0.00%	0.00%	VA	0.00%	0.00%											
RI	0	0	MT	0	1	ME	1	1	MI	12	16	OH	94	1	WY	0.59%	0.72%	NH	0.00%	0.00%	VT	0.00%	0.00%											
SD	0	0	NY	1	1	MI	1	1	OH	12	14	RI	1	1	AK	0.32%	0.32%	NV	0.00%	0.00%	WA	0.00%	0.00%											
VT	1	0	SD	1	1	MT	0	1	CT	12	12	VT	1	1	HI	0.85%	0.00%	NY	0.00%	0.00%	WA DC	0.00%	0.00%											
WA DC	0	0	AK	0	0	SD	1	1	ME	12	12	WA DC	1	1	ND	2.25%	0.00%	PA	0.00%	0.00%	WI	0.00%	0.00%											
Average			3	11	1			3	4			13	Average			142	1,093	209			213	Average			1.93%	2.07%	1.26%			1.66%	0.08%			0.66%
Total			133	555	51			132	184			687	Total			7,237	55,748	10,638			10,857													

State	Incram. Rate Over General Business	State	Incram. Rate Over General Business	State	Incram. Rate Over General Business
MS	2.2%	NJ	2.8%	MS	4.3%
LA	1.8%	IA	2.5%	TN	3.6%
TN	1.6%	SD	2.3%	LA	3.0%
VT	1.4%	MS	2.2%	MI	2.5%
MD	1.2%	LA	1.8%	CO	2.4%
OH	0.9%	CT	1.7%	NE	2.4%
AL	0.5%	TN	1.6%	SD	2.3%
OK	0.4%	VT	1.4%	MT	2.3%
KS	0.4%	OH	1.3%	WV	1.7%
WY	0.1%	ME	1.0%	OR	1.3%
AK	0.0%	AL	0.5%	UT	1.2%
AR	0.0%	OK	0.4%	KY	1.2%
AZ	0.0%	KS	0.4%	NC	0.9%
CA	0.0%	MD	0.4%	WY	0.7%
CO	0.0%	WY	0.1%	SC	0.0%
DE	0.0%	AK	0.0%	WI	0.0%
FL	0.0%	AR	0.0%	WA DC	0.0%
GA	0.0%	AZ	0.0%	WA	0.0%
IA	0.0%	CA	0.0%	VT	0.0%
ID	0.0%	CO	0.0%	VA	0.0%
IL	0.0%	DE	0.0%	TX	0.0%
IN	0.0%	FL	0.0%	RI	0.0%
KY	0.0%	GA	0.0%	PA	0.0%
MA	0.0%	HI	0.0%	OK	0.0%
ME	0.0%	ID	0.0%	OH	0.0%
MI	0.0%	IL	0.0%	NY	0.0%
MN	0.0%	IN	0.0%	NV	0.0%
MO	0.0%	KY	0.0%	NM	0.0%
MT	0.0%	MA	0.0%	NJ	0.0%
NC	0.0%	MI	0.0%	NH	0.0%
NE	0.0%	MN	0.0%	ND	0.0%
NH	0.0%	MO	0.0%	MO	0.0%
NJ	0.0%	MT	0.0%	MN	0.0%
NM	0.0%	NC	0.0%	ME	0.0%
NV	0.0%	ND	0.0%	MD	0.0%
NY	0.0%	NE	0.0%	MA	0.0%
OR	0.0%	NH	0.0%	KS	0.0%
RI	0.0%	NM	0.0%	IN	0.0%
SC	0.0%	NV	0.0%	IL	0.0%
SD	0.0%	NY	0.0%	ID	0.0%
TX	0.0%	OR	0.0%	IA	0.0%
UT	0.0%	PA	0.0%	HI	0.0%
VA	0.0%	RI	0.0%	GA	0.0%
WA	0.0%	SC	0.0%	FL	0.0%
WA DC	0.0%	TX	0.0%	DE	0.0%
WI	0.0%	UT	0.0%	CT	0.0%
CT	0.0%	VA	0.0%	CA	0.0%
WV	-0.1%	WA	0.0%	AZ	0.0%
PA	-0.1%	WA DC	0.0%	AR	0.0%
HI	-0.8%	WI	0.0%	AL	0.0%
ND	-2.3%	WV	-0.1%	AK	0.0%

State:Alabama

Prepared by (name and company):Redacted

Reviewed by (name and company):Redacted

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Fee/Tax Based on Revenue	Rate	Tax apply to Telephone Business? (Y or N)	Tax apply to General Business? (Y or N)	Tax imp'd on Bus. or Cust? (B OR C)	Tax apply to inter-, intra-state or both?	If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru?	If local tax, is it filed locally? (Y or N)	# of juris. that apply (if state tax input 1)	# of returns per year per juris.	Total # of annual returns (automatic)	If local tax, do tax rates vary? (Y/N)	If local tax, do tax bases vary? (Y/N)	If local tax, do tax exemptions vary? (Y/N)	Vendor's Comp? (Y/N)	Comments/footnotes
Utility Tax	6.70%	Y	N	B	INTRA	Req'd.	N/A	1	12	12	N/A	N/A	N/A	N	Rate 4% for cellular companies. Req'd per SEC 40-21-86
911 tax	5% Max	Y	N	C	INTRA	A	Y	74	12	888	Y	N	N	Y	Total number of jurisdictions obtained from Vertex.
PUC Fee	0.185%	Y	N	B	INTRA	S	N/A	1	4	4	N/A	N/A	N/A	N/A	
License Fee/tax	Max \$15,000	Y	Y	B	N/A	S	Y	230	1	230	Y	N	N	N	License tax based on population for telephone companies.
State Sales Tax-Equip.	4.00%	Y	Y	C	N/A	Req'd.	N	1	12	12	N/A	N/A	N/A	Y	Req'd per SEC 40-23-26
Local Sales Tax-Equip.	0%-4%	Y	Y	C	N/A	Req'd.	No (See Note)	2	12	24	Y	N	N	Y	In most instances, tax return is filed with the ADOR or Alatax. Req'd per SEC 40-23-26
										0					

Q	R	S	T	U	V	W	X
	Telco Effective Rate	Telco Locally Vs. Centr. Admin'd (L OR C)	Telco FMV based on Cost (C) Cap'd Inc(l) or Mkt (M)	General Business Effective Rate	General Locally Vs. Centr. Admin'd (L OR C)	General FMV based on Cost (C) Cap'd Inc(l) or Mkt (M)	Comments/footnotes:
Property Tax							
Real Property	1.36%	C	Mixture	0.90%	L	C,I,M	See footnote 1
Tang. Pers. Prop.	1.36%	C	Mixture	0.90%	L	C	See footnote 1
Intang. Pers. Prop.	N/A	N/A	N/A	N/A	N/A	N/A	

Y

Please list any general comments below that should be noted re: this state.

1. Wireless - Assessments for wireless companies are done locally based on original cost less scheduled depreciation.  
Assessment ratio for wireless is 20%.

INSTRUCTIONS:

- A: Input type of state or local tax (types of tax input above are examples)
- B: Statutory rate
- C: Does the tax/fee apply to telephone business?
- D: Does the tax/fee apply to general businesses?
- E: Is the tax imposed on the business or the customer?
- F: Does the tax/fee apply to interstate, intrastate, or both (input INTER, INTRA, OR BOTH)?
- G: If the tax is imposed on the business, does the statute Prohibit, Require, Allow, or is it Silent re: passing through the tax (input P, R, A, or S)?
- H: If the tax is a local tax, is it remitted with a local tax return (input Y or N)?
- I: Total number of jurisdictions in the state that apply the tax (if the tax is a state tax, input 1)
- J: Input the number of returns per year per taxing jurisdiction
- K: Total # of annual returns filed for this type of tax/fee (automatically calculated from input in fields H and I)
- L: If the fee or tax is local, do the tax rates vary for each jurisdiction (input Y or N)?
- M: If the fee or tax is local, do the tax bases vary for each jurisdiction (input Y or N)?
- N: If the fee or tax is local, do the tax exemptions vary for each jurisdiction (input Y or N)?
- O: Are vendors compensated for collecting the tax/fee (input Y or N)?

- P: Input any specific comments or footnotes
- Q: Input type of property tax
- R: Input the effective rate for telephone cos. (which should take into account assessment ratios to come up with the true effective rate)
- S: Input whether telephone co. property taxes are centrally or locally administered (INPUT L OR C)
- T: Input indicator(s) for basis for calculating FMV for telephone cos. (Cost - C, Capitalized earnings - I, or Market - M)
- U: Input the effective rate for general businesses (also to take into account assessment ratios)
- V: Are main street companies centrally administered?
- W: Input the indicator(s) for basis for calculating FMV for general businesses.
- X: Input any specific comments or footnotes.
- Y: Please list any other general comments that should be noted re: the state

State: ALASKA

Prepared by (name and company): Redacted

Reviewed by (name and company): Redacted

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Fee/Tax Based on Revenue	Rate	Tax apply to Telephone Business? (Y or N)	Tax apply to General Business? (Y or N)	Tax imp'd on Bus. or Cust? (B OR C)	Tax apply to inter-, intra-state or both?	If Bus tax, Prohi'd, Req'd, Perm'd, or Silent re: Pass Thru?	If local tax, is it filed locally? (Y or N)	# of juris. that apply (if state tax input 1)	# of returns per year per juris.	Total # of annual returns (automatic)	If local tax, do tax rates vary? (Y/N)	If local tax, do tax bases vary? (Y/N)	If local tax, do tax exemptions vary? (Y/N)	Vendor's Comp? (Y/N)	Comments/footnotes
State sales tax	None									0					
911 tax	-	Y	N	C	both	R	Y	3	12	36	N	N	N	Y	
State USF	1.80%	Y	N	C	intra	R	Y	1	12	12	N	N	N	N	
PUC Fee-RCC	0.66%	Y	N	C	both	R	Y	1	4	4	N	N	N	N	
License Fee/tax	None									0					
Franchise/ROW fees	None									0					
Gross Receipts	None									0					
Local Taxes	0-6%						y	111		0					Note 1
										0					
* 911 - Seward	.75									0					
* 911 - Bethel	.75									0					
* 911 - Nome	.50									0					
										0					
										0					

Note 1: Each local ordinance is different. It may or may not tax telecom along with main street. Most are filed quarterly, some are filed monthly.

Q	R	S	T	U	V	W	X
	Telco Effective Rate	Telco Locally Vs. Centr. Admin'd (L OR C)	Telco FMV based on Cost (C) Cap'd Inc(l) or Mkt (M)	General Business Effective Rate	General Locally Vs. Centr. Admin'd (L OR C)	General FMV based on Cost (C) Cap'd Inc(l) or Mkt (M)	Comments/footnotes:
Property Tax							
Real Property	0.32%	L	C	0.32%	L	C	
Tang. Pers. Prop.	None			None			
Intang. Pers. Prop.	None			None			

Y  
Please list any general comments below that should be noted re: this state.  
INSTRUCTIONS:

- A: Input type of state or local tax (types of tax input above are examples)  
B: Statutory rate  
C: Does the tax/fee apply to telephone business?  
D: Does the tax/fee apply to general businesses?  
E: Is the tax imposed on the business or the customer?  
F: Does the tax/fee apply to interstate, intrastate, or both (input INTER, INTRA, OR BOTH)?  
G: If the tax is imposed on the business, does the statute Prohibit, Require, Allow, or is it Silent re: passing through the tax (input P, R, A, or S)?  
H: If the tax is a local tax, is it remitted with a local tax return (input Y or N)?  
I: Total number of jurisdictions in the state that apply the tax (if the tax is a state tax, input 1)  
J: Input the number of returns per year per taxing jurisdiction  
K: Total # of annual returns filed for this type of tax/fee (automatically calculated from input in fields H and I)  
L: If the fee or tax is local, do the tax rates vary for each jurisdiction (input Y or N)?

- M: If the fee or tax is local, do the tax bases vary for each jurisdiction (input Y or N)?  
N: If the fee or tax is local, do the tax exemptions vary for each jurisdiction (input Y or N)?  
O: Are vendors compensated for collecting the tax/fee (input Y or N)?  
P: Input any specific comments or footnotes  
Q: Input type of property tax  
R: Input the effective rate for telephone cos. (which should take into account assessment ratios to come up with the true effective rate)  
S: Input whether telephone co. property taxes are centrally or locally administered (INPUT L OR C)  
T: Input indicator(s) for basis for calculating FMV for telephone cos. (Cost - C, Capitalized earnings - I, or Market - M)  
U: Input the effective rate for main street businesses (also to take into account assessment ratios)  
V: Are main street companies centrally administered?  
W: Input the indicator(s) for basis for calculating FMV for general businesses.  
X: Input any specific comments or footnotes.  
Y: Please list any other general comments that should be noted re: the state

State: Arkansas

Prepared by (name and company): Redacted

Reviewed by (name and company): Redacted

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Fee/Tax Based on Revenue	Rate	Tax apply to Telephone Business? (Y or N)	Tax apply to General Business? (Y or N)	Tax imp'd on Bus. or Cust? (B OR C)	Tax apply to inter-, intra-state or both?	If Bus tax, Proh'd, Req'd, or Perm'd, or Silent re: Pass Thru?	If local tax, is it filed locally? (Y or N)	# of juris. that apply (if state tax input 1)	# of returns per year per juris.	Total # of annual returns (automatic)	If local tax, do tax rates vary? (Y/N)	If local tax, do tax bases vary? (Y/N)	If local tax, do tax exemptions vary? (Y/N)	Vendor's Comp? (Y/N)	Comments/footnotes
State sales tax	4.625	Y	Y	C	Both	Req'd.		1	12	12				Y	1
County sales tax	varies	Y	Y	C	Both	Req'd.	N	67	12	12	Y .50-2.00%	N	N	Y	2
City sales tax	varies	Y	Y	C	Both	Req'd.	N	217	12	12	Y .25-3.00%	N	N	Y	2
911 tax(wireline)	varies	Y	N	C	intra-state	Silent	Y	29	12	348	Y	Y	Y*	Y	6
911 tax(wireless)	\$0.50	Y	N	C	intra-state	Silent	Y	1	12	12	N	N	N*	Y	
State USF	0.500	Y	N	B	intra-state	Perm'd		1	12	12				N	
PUC Fee	0.17%	Y	N	B	intra-state	Silent		1	1	1				N	Wireline & Long Distance
License Fee/tax															
Business Licenses	varies	Y	Y	B			Y	217	1	217	N	Y	N	N	3
Franchise/ROW fees	varies	Y	N	B	# lines		Y	217	1	217	Y	Y	N	N	5
Gross Receipts										0					
										0					
City Long Distance Telecom	0.004/per min.	Y	N	C	Both	Perm'd	Y	1	12	12	N	N	N	N	
AR Telecom Relay	0.03	Y	N	C	per line	Perm'd		1	12	12				N	
ADHITS* AR Deaf & Hearing Impaired Tele. Svs	0.08	Y	N	C	per line	Perm'd	Y	1	12	12	N	N	N	N	4
										0					
										0					
										0					

Q	R	S	T	U	V	W	X
	Telco Locally  Telco Effective Rate	Telco Locally Vs. Centr. Admin'd (L OR C)	Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M)	Main St. Business Effective Rate	Main St. Locally Vs. Centr. Admin'd (L OR C)	Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M)	Comments/footnotes:
Property Tax							
Real Property	\$0.00816	C	C,I,M	\$0.00816	Locally	C,I,M	
Tang. Pers. Prop.	\$0.00816	C	C,I,M	\$0.00816	Locally	C,I,M	
Intang. Pers. Prop.	\$0.00816	C	C,I,M	\$0.00816	N/A	N/A	

Y  
Please list any general comments below that should be noted re: this state.

Revenue Tax Comments

- Vendor's compensation is 2% up to a maximum of \$1,000.00 per month for state tax.
- Local Maximum Tax is \$2,500.00 per single transaction as defined by local ordinances.
- Business Licenses (sometimes referred as Business, Privilege, Occupational licenses) base varies between flat fee, employee count and inventory
- AR Deaf and Hearing Impaired Telecommunications Services Corporation, Based upon per access line max of 100 lines at any single customer location.
- Franchise Tax varies on rate, base, Pass Thru per Franchise agreement.
- 911 (wireline) tax rate varies as follows: All counties charge 5% of Intra-state toll except Pulaski (\$0.20 per line); Franklin, Madison, and Montgomery (12% of Intra-state toll); and Van Buren (8% of Intra-state toll)  
\* If the tax is based on a percentage of intrastate toll, the exempted customers will be exempted from differing amounts; however if the rate is flat, the exempted customers will be exempt from the same amounts.

Property Tax Comments

- Wireline - Central Assessments derived from Cost, Income and Market approaches with fixed weighting for each.
- Wireless - Central Assessments derived strictly from the Cost approach (net book); however, the State has hinted at moving to a valuation with all three approaches

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Fee/Tax Based on Revenue	Rate	Tax Apply to Telephone Business? (Y or N)	Tax Apply to Main Street Business? (Y or N)	Tax imposed on Business or Customer? (B or C)	Tax apply to Inter-, Intra-state or both? (Inter, intra or both)	If biz tax, does law prohibit, require, allow or is it a silent pass thru? (P, R, A or S)	If local tax, is it filed locally? (Y or N)	Total # of jurisdictions that apply tax (Enter 1 if state tax)	Total # of returns per year per jurisdiction	Total # of annual returns (formula)	If local tax, does tax rates vary? (Y or N)	If local tax, do tax bases vary? (Y or N)	If local tax, do tax exemptions vary? (Y or N)	Are vendor's compensated for collecting tax/fee? (Y or N)	Comments
State Transaction Privilege	5.00%	Y	Y	B	Intra	A	N/A	1	12	12	N/A	N/A	N/A	Y <sup>(6)</sup>	
911 Tax - wireless	\$ .10 per line <sup>(3)</sup>	Y	N	B	N/A	A	n/a	1	12	12	n/a	n/a	n/a	N	
911 Tax - wireline	\$1.25 per line	Y	N	B	n/a	A	n/a	1	12	12	n/a	n/a	n/a	N	
County Transaction Privilege	varies 0%- 1% <sup>(1)</sup>	Y	Y	B	Intra	A	N	14 <sup>(1)</sup>	12	120	Y	N	N	N	
City Telecommunications *	varies .5%-4.7% <sup>(2)</sup>	Y	N	B	Intra	A	Y	14 <sup>(1)</sup>	12	120	Y	N	N	N	
City Retail Sales	varies 0%-2.5% <sup>(1)</sup>	N	Y	B	N/A	A	Y	14 <sup>(1)</sup>	12	120	Y	N	N	N	
TDD (deaf tax)	\$1.10 per line	Y	N		n/a	A	n/a	1	12	12	n/a	n/a	n/a	N	Wireline
Universal Service Fund	varies <sup>(1)</sup>	Y	N	B	n/a	A	n/a	1	12	12	n/a	n/a	n/a	N	
PUC tax	assessed	Y	N	B	intra	P	n/a	1	1	1	n/a	n/a	n/a	N	Wireline
License Tax (Flagstaff city)	2.00%	Y		B	intra	A	Y	1							Wireline

\* = also known as a City Transaction Privilege Tax  
1 = there are approx 360 jurisdictions, 14 of which file locally and the remaining 350 are administered by the state.  
2 = ranges between .5% to 4.7% (city of pheonix is max).  
3 = .10 per month per customer to finance 911 phone service; may increase to .20 per month AFTER 6/30/99. This is a wireless "911" tax rate.  
5 = Vendor compensation permitted at state level but capped at \$10,000 per year for all related entities.  
6 = The City of Chandler imposes a 4.7% tax on all telecommunications services and a 1.3% tax on all retail sales. Both taxes are in addition to the state and county transaction privilege tax.  
7= providers of basic local exchange pay \$0.121 per line, providers of intrastate toll service pay \$.1391 per line, wireless pays \$.12110 per trunk line connecting to the local exchange carrier..

	Q	R	S	T	U	V	W	X
Property Taxes	Teleco effective rate	Teleco locally vs. centrally assessed? (L or C)	Teleco FMV based on Cost (C), Capitalized Income (I) or Market (M)?	Main street business effective rate	Main street locally vs centrally assessed? (L or C)	Main street FMV based on Cost (C), Capitalized Income (I) or Market (M)?		Comments
Property Tax Assessment	4.20%	C	C	4.20%	L	C		

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	Rate	Tax Apply to Telephone Business? (Y or N)	Tax Apply to Main Street Business? (Y or N)	Tax imposed on Business or Customer? (B or C)	Tax apply to Inter-, Intra-state or both? (Inter, intra or both)	If biz tax, does law prohibit, require, allow or is it a silent pass thru? (P, R, A or S)	If local tax, is it filed locally? (Y or N)	Total # of jurisdictions that apply tax (Enter 1 if state tax)	Total # of returns per year per jurisdiction	Total # of annual returns (formula)	If local tax, does tax rates vary? (Y or N)	If local tax, do tax bases vary? (Y or N)	If local tax, do tax exemptions vary? (Y or N)	Are vendor's compensated for collecting tax/fee? (Y or N)	Comments
State 911 Surcharge	0.72%	Y	N	C	Intra	N/A	N/A	1	12	12	N/A	N/A	N/A	N	
State PUC Surcharge	0.11%	Y	N	C	Intra	N/A	N/A	1	1	1	N/A	N/A	N/A	N	
Deaf Surcharge <sup>(7)</sup>	0.192%	Y	N	C	Intra	N/A	N/A	1	4	4	N/A	N/A	N/A	N	
ULTS Surcharge	0.00%	Y	N	C	Intra	N/A	N/A	1	4	4	N/A	N/A	N/A	N	
CHCF-A Surcharge	0.00%	Y	N	C	Intra	N/A	N/A	1	4	4	N/A	N/A	N/A	N	
CHCF-B Surcharge	3.80%	Y	N	C	Intra	N/A	N/A	1	4	4	N/A	N/A	N/A	N	
Calif. Teleconnect	0.05%	Y	N	C	Intra	N/A	N/A	1	4	4	N/A	N/A	N/A	N	
Calif. UUT <sup>(8)</sup>	11.00%	Y	N	C	Variable	N/A	Y	150	12	1800	N/A	N/A	Y <sup>(9)</sup>	N	
SF County/City 911	\$1.00/access line	Y	N	C	N/A	N/A	Y	1	12	12	N	N	N	N	
State Sales/Use	6.00%	Y <sup>(4)</sup>	Y	B (10)	N/A	A	N/A	1	4	4	N/A	N/A	N/A	N	
Local Sales/Use	2.50%	Y <sup>(6)</sup>	Y	B (10)	N/A	A	N/A	58 <sup>(11)</sup>	(3)		Y	N	N	N	
Business License	0.118%	Y	Y	B	N/A	S	Y		1	0	Y	Y <sup>(8)</sup>	Y	N	Number of jurisdictions may vary from 1 to over 300 depending on business operations and locations.

	Q	R	S	T	U	V	W	X
			Teleco locally vs. centrally assessed? (L or C)	Teleco FMV based on Cost (C), Capitalized Income (I) or Market (M)?	Main street business effective rate	Main street locally vs centrally assessed? (L or C)	Main street FMV based on Cost (C), Capitalized Income (I) or Market (M)?	
Property Taxes	Teleco effective rate							Comments
Property Tax Assessment	1.10%		C	C <sup>(1)</sup>	1.10%	L	C	

1 = Sales/Use tax shared by counties and cities  
2 = Company must be a corporation for environmental tax to be applicable.  
3 = Local sales tax schedule included in quarterly state sales tax return.  
4 = California state and local sales tax only applies to retail sales of tangible personal property, not to services.  
5 = Flat fee varies depending on the # of corporate, California-based employees per legal entity.  
6 = Number of jurisdictions that apply tax provided by Bill Pfugh, D&T SALT Group, San Francisco.  
7 = Per schedule B, California S&U tax return. Since local sales taxes are filed with the state, no additional return is required.  
8 = DEAF Surcharge is also referred to as "CA Relay Service & Communications Devise Fund"  
9 = Two examples are: 1) the City of Santa Ana has a UUT ordinance which exempts "Maximum utility user taxpayers" from the UUT until further notice, and 2) the City of San Francisco UUT exempts "residential" customers  
10 = One example of the variance is the City of Long Beach's business license ordinance which has been interpreted by the City tax collector as applying to each individual cell site as if it were its own separate business  
11 = Business can seek reimbursement from customer.  
11 = For 1999 assessment year



State: Colorado

Prepared by (name and company): Redacted

Reviewed by (name and company): Redacted

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Fee/Tax Based on Revenue	Rate	Tax apply to Telephone Business? (Y or N)	Tax apply to Main Street Business? (Y or N)	Tax imp'd on Bus. or Cust? (B OR C)	Tax apply to inter-, intra-state or both?	If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru?	If local tax, is it filed locally? (Y or N)	# of juris. that apply (if state tax input 1)	# of returns per year per juris.	Total # of annual returns (automatic)	If local tax, do tax rates vary? (Y/N)	If local tax, do tax bases vary? (Y/N)	If local tax, do tax exemptions vary? (Y/N)	Vendor's Comp? (Y/N)	Comments/footnotes
Sales Tax - STATE	3.00%	Y	Y	C	intra-state	Req'd,	N/A	1	12	12	N/A	N/A	N/A	Y	State Sales, RTD, County, State Collected Cities are all filed on one return. The State Vendor compensation is 3 1/2 % with no cap.
Sales Tax - STATE RTD/CD/BS	0.80%	Y	Y	C	intra-state	Req'd,	N/A	1	12	12	N/A	N/A	N/A	Y	Note: Colorado does not tax inter-state but does tax access.
Sales Tax - County	.5% - 4%	Y	Y	C	intra-state	Req'd,	N	49	12	588	Y	N	N	Y	Not all counties allow a vendor compensation.
Sales Tax - City (State Collected)	.5% - 5.5%	Y	Y	C	intra-state	Req'd,	N/A	169	12	2,028	Y	N	N	Y	Note: The first four line items are all filed on one return.
				C											
Sales & Use Tax - Home Rule City	.8% - 5%	Y	Y	C	Varies	Req'd,	Y	48	12	576	Y	Y	Y	Y	Self collected. Vendor compensation varies, some caps imposed
Use Tax - STATE	3.00%	Y	Y	B	Both	N/A	N/A	1	12	12	N/A	N/A	N/A	N	State Use tax is filed separate from Sales Tax.
PUC Fee	0.20%	Y	N	B	Intra-State	Proh'd	N/A	1	4	4	N/A	N/A	N/A	N	Maximum rate is 2%, it could be less.
License Fee/tax	Varies	Y	Y	B	N/A	N/A	Y	80	1	80	Y	Y	N/A	N/A	Generally flat fees due once a year. Not all cities impose this license
	Varies \$4 - \$768,000 or approx \$1.28 per line														
Occupation (Comparable to Fran)		Y	N	B	Intra-State	Perm'd	Y	126	Var 1 - 4	504	Y	Y	N	N	Can be flat fee or flat rate per telephone account. Tax is passed back to the customer as a percentage of revenue. Max flat fee is \$768,000.
911 Excise Tax (City/Copunty)	\$.35 - \$.70 per line	Y	N	C	N/A	Req'd	Y	44	12	528	Y	N/A	N/A	Y	Compensation at 2% for all juris.
Disabled Users Fund (State)	\$.10 per line	Y	N	C	N/A	Req'd	N/A	1	2	2	N/A	N/A	N/A	N	Cellular is exempt.
State USF	3.10%	Y	N	C	Intra-State	Perm'd	N/A	1	4	4	N/A	N/A	N/A	N	Rate varies by type of provider (e.g. long distance .20 per line, wireless .80 per line)

Q	R	S	T	U	V	W	X
	Telco Effective Rate	Telco Locally Vs. Centr. Admin'd (L OR C)	Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M)	Main St. Business Effective Rate	Main St. Locally Vs. Centr. Admin'd (L OR C)	Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M)	Comments/footnotes:
Property Tax							
Real Property	2.42%	C	C, M, I	2.42%	L	C, M, I	Centrally assessed property
Tang Pers. Prop.	2.42%	C	C, M, I	2.42%	L	C, M, I	value is based on business
Intang Pers. Prop.	2.42%	C	C, M, I	N/A			value and locally assessed
							is based on real/pp asset value.

Y

Please list any general comments below that should be noted re: this state.

State: CONNECTICUT

Prepared by (name and company): Redacted

Reviewed by (name and company): Redacted

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Fee/Tax Based on Revenue	Rate	Tax apply to Telephone Business? (Y or N)	Tax apply to Main Street Business? (Y or N)	Tax imp'd on Bus. or Cust? (B OR C)	Tax apply to inter-, intra-state or both?	If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru?	If local tax, is it filed locally? (Y or N)	# of juris. that apply (if state tax input 1)	# of returns per year per juris.	Total # of annual returns (automatic)	If local tax, do tax rates vary? (Y/N)	If local tax, do tax bases vary? (Y/N)	If local tax, do tax exemptions vary? (Y/N)	Vendor's Comp? (Y/N)	Comments/footnotes
State sales tax	6.00%	Y	Y	C	both	n/a	n/a	1	12	12	n/a	n/a	n/a	N	
911 tax	.31-.06/access line	Y	N	C	n/a	n/a	n/a	1	4	4	n/a	n/a	n/a	N	
State USF	{1}	Y	N	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	{1}
PUC Fee	.003346{2}	Y	N	C	intra-state	Silent	n/a	1	1	1	n/a	n/a	n/a	n/a	{2}
License Fee/tax	n/a									0					
Franchise/ROW fees	n/a									0					
Gross Receipts	n/a									0					
										0					
										0					
										0					
										0					
										0					
										0					
										0					

Q	R	S	T	U	V	W	X
Property Tax	Telco Effectively Rate	Telco Locally Vs. Centr. Admin'd (L OR C)	Telco FMV based on Cost (C) Cap'd Inc(l) or Mkt (M)	Main St. Business Effective Rate	Main St. Locally Vs. Centr. Admin'd (L OR C)	Main St. FMV based on Cost (C) Cap'd Inc(l) or Mkt (M)	Comments/footnotes:
Real Property	1.61% <sup>{3}</sup>	L	M	1.61%	L	M	{3}
Tang. Pers. Prop.	3.29% <sup>{4}</sup>	C	C	1.61% <sup>{5}</sup>	L	C	{4} {5} {6}
Intang. Pers. Prop.	0%	n/a	-	0%	n/a	-	

Y  
Please list any general comments below that should be noted re: this state.

Footnotes:  
{1} No specific payment required  
{2} Total revenue of public service company  
{3} 2.3% X 70% Assesd Ratio x M determined every 4 yrs.  
{4} 4.7% x 70% x Net Tax Value  
{5} 2.3% x 70% x Net Book Value using local deprec rates with a 10% - 30% floor.  
{6} IXC's are locally assessed.

Reviewed by (name and company): Redacted

[illegible]

Q	R	S	T	U	V	W	X
		Telco Locally Vs. Centr. Admin'd Effective Rate	Telco FMV based on Cost (C) Cap'd Inc(l) or Mkt (M)	Main St. Business Effective Rate	Main St. Locally Vs. Centr. Admin'd (L OR C)	Main St. FMV based on Cost (C) Cap'd Inc(l) or Mkt (M)	Comments/footnotes:
Property Tax							
Real Property	1.63%	Locally	M	Same as Telco	Locally	M	
Tang. Pers. Prop.							
Intang. Pers. Prop.							

Please list any general comments below that should be noted re: this state.

State: Florida

Prepared by (name and company): Redacted

Reviewed by (name and company): Bonnie Boone - GTE Ser Redacted

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Fee/Tax Based on Revenue	Rate	Tax apply to Telephone Business? (Y or N)	Tax apply to Main Street Business? (Y or N)	Tax imp'd on Bus. or Cust? (B OR C)	Tax apply to inter- intra-state or both?	If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru?	If local tax, is it filed locally? (Y or N)	# of juris. that apply (if state tax input 1)	# of returns per year per juris.	Total # of annual returns (automatic)	If local tax, do tax rates vary? (Y/N)	If local tax, do tax bases vary? (Y/N)	If local tax, do tax exemptions vary? (Y/N)	Vendor's Comp? (Y/N)	Comments/footnotes
State Telecom. Tax.	7.00%	Y	N	C	B	A	N	1	12	12	N	N	N	Y	Higher sales tax rate applies to utilities. Residential customers are exempt.
911 tax	Max \$.50 per access line	Y	N	C	N/A	A	Y	67	12	804	Y	N	N	Y	Total number of jurisdictions obtained from Vertex. Applies to wireline and wireless.
PUC Fee	0.15%	Y	N	B	INTRA	S	N/A	1	2	2	N/A	N/A	N/A	N	
Franchise/ROW fees	1.00%	Y	N	B	LOCAL	A	Y	304	various	433	N	N	N	N	
Gross Receipts	2.50%	Y	N	B	BOTH	R	N/A	1	12	12	N/A	N/A	N/A	N	
Mun. Utility Tax (Opt1)	10% max.	Y	N	C	LOCAL	A	Y	127	12	1,524	Y	N	N	Y	Number of jurisdictions based on information contained in State of Florida website.
Mun. Utility Tax (Opt2)	7% max.	Y	N	C	INTRA	A	Y	161	12	1,932	Y	N	N	Y	Number of jurisdictions based on information contained in State of Florida website.
Local Sales Tax	0%-1.5%	Y	Y	C	LOCAL	A	N	0	0	0	Y	N	N	Y	Filed with state sales tax return.
State Sales Tax	6.00%	Y	Y	C	N/A	A	N	0	0	0	N/A	N/A	N/A	Y	Filed with state sales tax return.
Telecom Relay (TASA)	\$.09 per access line	Y	N	C	N/A	A	N	1	12	12	N/A	N/A	N/A	Y	

Q	R	S	T	U	V	W	X
Property Tax	Telco Effective Rate	Telco Locally Vs. Centr. Admin'd (L OR C)	Telco FMV based on Cost (C) Cap'd Inc(l) or Mkt (M)	Main St. Business Effective Rate	Main St. Locally Vs. Centr. Admin'd (L OR C)	Main St. FMV based on Cost (C) Cap'd Inc(l) or Mkt (M)	Comments/footnotes.
Real Property	2.40%	L	Mixture	2.40%	L	C,I,M	See Footnote 1
Tang. Pers. Prop.	2.40%	L	Mixture	2.40%	L	C	See Footnote 1
Intang. Pers. Prop.	0.20%	C	Cost	0.20%	C	Cost	

Y  
Please list any general comments below that should be noted re: this state.

1. Wireless - Assessments for wireless companies are done locally based on original cost less scheduled depreciation.  
Assessment ratio for wireless is 100%.

State: Georgia

Prepared by (name and company): Redacted

Reviewed by (name and company): Redacted

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Fee/Tax Based on Revenue	Rate	Tax apply to Telephone Business? (Y or N)	Tax apply to Main Street Business? (Y or N)	Tax imp'd on Bus. or Cust? (B OR C)	Tax apply to inter-, intra-state or both?	If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru?	If local tax, is it filed locally? (Y or N)	# of juris. that apply (if state tax input 1)	# of returns per year per juris.	Total # of annual returns (automatic)	If local tax, do tax rates vary? (Y/N)	If local tax, do tax bases vary? (Y/N)	If local tax, do tax exemptions vary? (Y/N)	Vendor's Comp? (Y/N)	Comments/footnotes
State sales tax	4.00%	Y	Y	C	LOCAL	A	N/A	1	12	12	N/A	N/A	N/A	Y	Includes telecommunications services and sale of equipment.
911 tax	Max \$1.50 per access line	Y	N	C	N/A	A	Y	112	12	1,344	Y	N	N	Y	Vertex used to obtain # of jurisdictions. Rate charged is set at county's discretion. Wireless rate is set at maximum of \$1.
State USF	Varies	Y	N	B	B	P	N/A	1	4	4	N/A	N/A	N/A	N	Expenses allocated to utilities based on gross receipts.
PUC Fee	0.013%	Y	N	B	INTRA	S	N/A	1	1	1	N/A	N/A	N/A	N	Expenses of commission allocated to utilities based on intrastate gross receipts
License Fee/tax	3%-4% (See note)	Y	N	B	LOCAL	A	Y	200	Monthly, quarterly, semiannual, and annual	500	Y	N	N	N	Standard telecom. license 3% of RLSR. Tax for main street business is substantially less.
Franchise/ROW fees	3.00%	Y	N	B	LOCAL	A	Y	6	12	72	N	Y	N	N	BST franchise figures only. Rate may vary depending on the franchise agreement. Most are at 3%.
															l
Local Sales Tax	0%-3%	Y	Y	C	LOCAL	A	N	SEE STATE SALES TAX		0	Y	N	N	Y	Filed as a part of state sales tax return
Telephone Relay Service Surcharge	\$0.10	Y	N	C	Flat Fee	A	N	1	12	12	N	N	N	N	

Q	R	S	T	U	V	W	X
	Telco Effective Rate	Telco Locally Vs. Centr. Admin'd (L OR C)	Telco FMV based on Cost (C) Cap'd Inc(l) or Mkt (M)	Main St. Business Effective Rate	Main St. Locally Vs. Centr. Admin'd (L OR C)	Main St. FMV based on Cost (C) Cap'd Inc(l) or Mkt (M)	Comments/footnotes:
Property Tax							
Real Property	1.47%	C	C,I,M	1.47%	L	C,I,M	See Footnote 1
Tang. Pers. Prop.	1.47%	C	C,I,M	1.47%	L	C	See Footnote 1
Intang. Pers. Prop.	N/A	N/A	N/A	N/A	N/A	N/A	

Y  
Please list any general comments below that should be noted re: this state.

1. Wireless - Assessments for wireless companies are done locally based on original cost less scheduled depreciation.  
Assessment ratio for wireless is 40%.

State: HAWAII

Prepared by (name and company): Redacted

Reviewed by (name and company): Redacted

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Fee/Tax Based on Revenue	Rate	Tax apply to Telephone Business? (Y or N)	Tax apply to Main Street Business? (Y or N)	Tax imp'd on Bus. or Cust? (B OR C)	Tax apply to inter- intra-state or both?	If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru?	If local tax, is it filed locally? (Y or N)	# of juris. that apply (if state tax input 1)	# of returns per year per juris.	Total # of annual returns (automatic)	If local tax, do tax rates vary? (Y/N)	If local tax, do tax bases vary? (Y/N)	If local tax, do tax exemptions vary? (Y/N)	Vendor's Comp? (Y/N)	Comments/footnotes
911 tax										0					
PUC Fee	0.25%	Y	N	B	INTRA	PERM'D			1	1				N	Note 4
Public Service Company Tax	5.885%	Y	N	B	INTRA	SILENT			1	1				N	Note 1
General Excise Tax - Retail	4.00%	Y	Y	B	BOTH	PERM'D			12	12				N	Note 2
General Excise Tax - Wholesale	0.50%	N	Y	B	INTRA	PERM'D			12	12				N	Note 3
General Excise Tax - Long Dist.	1.99%	Y	N	B	INTER	PERM'D				0				N	Note 2
										0					
										0					

Q	R	S	T	U	V	W	X
		Telco Locally Vs. Centr. Effective Rate	Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M)	Main St. Locally Vs. Centr. Effective Rate	Main St. Locally FMV based on Cost (C) Cap'd Inc(I) or Mkt (M)		
Property Tax							Comments/footnotes:
Real Property	Footnote	L	C,I,M	Footnote 5	L	C,I,M	Footnotes 5 and 6
Tang. Pers. Prop.	0.00%	Exempt	N/A	0.00%	Exempt	N/A	
Intang. Pers. Prop.	0.00%	Exempt	N/A	0.00%	Exempt	N/A	

Please list any general comments below that should be noted re: this state.

Note 1 Hawaii Public Service Company Tax is levied on revenue derived from Public Utility business between points within Hawaii. (Hawaii Revised Statutes, Chapter 239)  
(monthly payments, annual return)

Note 2 Hawaii General Excise Tax is levied on the sale of tangible personal property and the provision of taxable services.  
Interstate or foreign common carrier telecommunication services which originate or terminate and are charged to a telephone number, customer or account in Hawaii are further apportioned to Hawaii by an "Industry Apportionment Factor" for taxation.  
The current industry apportionment factor is 47.86%. (Hawaii Revised Statutes , Chapter 237)

Note 3. Receipts from importing or wholesaling of tangible personal property for resale are taxed at 0.5%.  
Receipts from services rendered at the request of an "Intermediary" for the benefit of an ultimate recipient, are taxed at 0.5%. Receipts of the Intermediary are taxed at 4%.

Note 4 Assessment billed by Hawaii PUC on receipts subject to the Public Service Company Tax. No sepatate return is required. Payment is annually. (HRS 269)

Note 5 Telcos pay the PSC tax in lieu of a general property tax, with the exception of real property not used directly in telephone operations. All Telco and Main Street real property is assessed at the same tax rates in each county.  
Approximate rate is 0.84975%.

Note 6 Real property on a local level is assumed to be assessed at market, which incorporates all three approaches to value.

State: Iowa

Prepared by (name and company): Redacted

Reviewed by (name and company): Redacted

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Fee/Tax Based on Revenue	Rate	Tax apply to Telephone Business? (Y or N)	Tax apply to Main Street Business? (Y or N)	Tax imp'd on Bus. or Cust? (B OR C)	Tax apply to inter-, intra-state or both?	If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru?	If local tax, is it filed locally? (Y or N)	# of juris. that apply (if state tax input 1)	# of returns per year per juris.	Total # of annual returns (automatic)	If local tax, do tax rates vary? (Y/N)	If local tax, do tax bases vary? (Y/N)	If local tax, do tax exemptions vary? (Y/N)	Vendor's Comp? (Y/N)	Comments/footnotes
State sales tax	5%	Y	Y	C	intra-state	Req'd.	N	1	12	12	Y	N	N	n/a	
State use tax	5%	Y	Y	B	both	n/a	n/a	1	12	12	n/a	n/a	n/a	N	
Local Option Sales	0 - 1%	Y	Y	C	intra-state	Req'd.	N	587	n/a (11)	n/a (11)	Y	N	N	N	(1)
Local Option SI tax	0 - 1%	Y	Y	C	intra-state	Req'd.	N	6 (10)	n/a (11)	n/a (11)	Y	N	N	N	
911 tax	es(usually	Y	N	C	intra-state	Req'd.	Y (9)	73	12	876	Y	N	N	Y - 1%	
State USF	n/a (12)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
PUC Direct	UC Exp In	Y	N	B	intra-state	silent	n/a	1	4	4	n/a	n/a	n/a	N	(8)
PUC Indirect	rmula Driv	Y	N	B	intra-state	Proh'd	n/a	1	4	4	n/a	n/a	n/a	N	(7)
License Fee/tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Franchise/ROW fee	n/a (8)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Gross Receipts	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(2)
Dual Party Relay S	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(5)
FCC USF	See Note	Y	See Note 4	C	both	Permitted	n/a	50	12	12	n/a	na	n/a	N	Not at state level.

- (1) A local option sales and service tax of up to 1% may be imposed by counties or cities, but not both. As of 7/1/99 587 cities and counties have implemented this tax.
- (2) Municipalities are authorized to impose a municipal gross receipts tax, and counties may impose a county gross receipts tax.
- (3) FCC contributions for USF are assessed against telecommunication providers, which in turn either recover these contributions via rates or explicit surcharge fees.
- (4) Depend on how service providers recovers contributions
- (5) Dual Party Relay is ordered by the Public Utilities Commission. No details are available as to rates, etc.
- (6) Basically reimburse PUC for their costs incurred to regulate the company.
- (7) Fee paid based upon some predetermined formula. The rate and other details about this fee are unknown.
- (8) Municipalities are allowed to recover costs of managing the right-of-way from all users of the right-of-way.
- (9) Wireless companies file one monthly return with the state and the rate is \$.50/subscriber.
- (10) Local option school infrastructure sales tax can be imposed in addition to local option sales tax. As of 7/1/99 6 counties have adopted this tax.
- (11) The local option sales tax and local option school infrastructure sales tax are filed monthly on the state sales tax return.

Q	R	S	T	U	V	W	X
Property Tax	Telco Effective Rate	Telco Locally Vs. Centr. Admin'd (L OR C)	Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M)	Main St. Business Effective Rate	Main St. Locally Vs. Centr. Admin'd (L OR C)	Main St. Locally Vs. Centr. Admin'd (L OR C)	Comments/footnotes:
Real Property	2.51%	C	C	2.51%	L	L	Footnotes 1 thru 3
Tang. Pers. Prop.	2.51%	C	C	n/a	n/a	n/a	Footnotes 1 thru 3
Intang. Pers. Prop.	n/a	n/a	n/a	n/a	n/a	n/a	

- Please list any general comments below that should be noted re: this state.
- 1) Effective January 1, 1998, valuation methodology was changed from a unit value to Replacement Cost New Less Depreciation. Years prior to 1998 were valued under cost, income and market (unit value), which included tangible and intangible property!
- 2) Personal Property of Main Street Business is exempt. Industrial machinery, equipment and computers were classified as real property and if first assessed after 1/1/95 are exempt. Taxable M&E and computers were assessed at 30% of net acquisition cost. Beginning in 1999, the property tax on existing M&E and computers will be eliminated over a 3 year period, so that by 1/1/2002, this property will be exempt.
- 3) All taxable property is assessed at the same rates in each tax district, regardless of the type of business.

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Fee/Tax Based on Revenue	Rate	Tax Apply to Telephone Business? (Y or N)	Tax Apply to Main Street Business? (Y or N)	Tax imposed on Business or Customer? (B or C)	Tax apply to Inter-, Intra- state or both? (Inter, intra or both)	If biz tax, does law prohibit, require, allow or is it a silent pass thru? (P, R, A or S)	If local tax, is it filed locally? (Y or N)	Total # of jurisdictions that apply tax (Enter 1 if state tax)	Total # of returns per year per jurisdiction	Total # of annual returns (formula)	If local tax, does tax rates vary? (Y or N)	If local tax, do tax bases vary? (Y or N)	If local tax, do tax exemptions vary? (Y or N)	Are vendor's compensated for collecting tax/fee? (Y or N)	Comments
Sales/Use	5% <sup>(1)</sup>	N	Y	C	N/A	R	N/A	1	12	12	N/A	N/A	N/A	N	
Local Sales/Use	1%-2% <sup>(2)</sup>	N	Y	C	N/A	R	Y	1	12	12	Y	N/A	N/A	N	
Business License (3)	\$20 - \$200	Y	Y	B	N/A	P	Y	5	12	60	Y	N	N	N/A	
ITSAP	.05 per lin	Y	N	C	N/A	R	N/A	1	12	12	N/A	N/A	N/A	N	
911	Varies	Y	N	C	Intra- State	R	Y	25	12	300	Y	N	N	N	
PUC	0.26%	Y	N	B	Intra- State	P	N/A	1	2	2	N/A	N/A	N/A	N/A	

1 = Cellular phone service is not subject to S&U tax. Cellular phones given to customers who purchase phone service is also not subject to S&U tax.  
2 = Ketchum 1%, Lava Hot Springs 2% & Sun Valley 2%  
3 = Most are flat rate, however one is based upon the number of employees.

	Q	R	S	T	U	V	W	X
Property Taxes	Teleco effective rate	Teleco locally vs. centrally assessed? (L or C)	Teleco FMV based on Cost (C), Capitalized Income (I) or Market (M)?	Main street business effective rate	Main street locally vs centrally assessed? (L or C)	Main street FMV based on Cost (C), Capitalized Income (I) or Market (M)?	Comments	
Property Taxes	.5 to 2.5	L	C	.5 - 2.5	L	C	(3) Applies to Wireless.	
All other Telecommunications Companies:								
Real Property	0.017	C	Elect C, I, or M (4)	0.017	L	C,I,M	Average statewide rate is 1.7%.	
Tangible Personal Property	0.017	C	Elect C, I, or M (4)	0.017	L	C,I,M		
Intangible Personal Property	N/A	N/A	N/A	N/A	N/A	N/A		

3 = County mill levy varies from 0.5% to 2.5%.  
4 = Taxpayer can elect Cost or combination with intangibles deducted.



Reviewed by (name and comp Redacted

Please List any general comments below that should be noted re: this state.

- 1) In theory property appraisal practices require the consideration of all three methods of valuation to determine FMV.
- 2) This is an aver. State rate of 7.8% & 33.3% assessment ratio excluding Cook county. Cook county has an assessment ratio of 38% for commercial property and 36% for industrial property with a tax rate of approx. 10%.
- 3) The MIMF is in lieu of a municipality imposing a franchise fee. Some telephone companies have franchise agreements where the compensation varies.

The compensation range includes: concession phone lines, a flat amount per year, an annual amount per access line (up to \$3.50) or a percentage of gross receipts ( up to .75%).